

# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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Division of Enforcement Case No. 06 APP 049

The parties to this action for the purpose of Wis. Stat. § 227.53 are:

Mark A. Volckmann  
829 S. Comanche Lane  
Waukesha, WI 53188

Wisconsin Real Estate Appraisers Board  
P.O. Box 8935  
Madison, WI 53708

Department of Regulation and Licensing  
Division of Enforcement  
P.O. Box 8935  
Madison, WI 53708-8935

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Real Estate Appraisers Board (Board). The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following Findings of Fact and Conclusions of Law and Order:

FINDINGS OF FACT

1. **Mark A. Volckmann** holds a certificate of licensure as a licensed appraiser in the state of Wisconsin (# 4-1718), which was first granted on 01/20/2004.
2. Mr. Volckmann's most recent address on file with the Wisconsin Department of Regulation and Licensing is 829 S. Comanche Lane, Waukesha, WI 53188.

COUNT I—Appraisal of 2657 N. 55<sup>th</sup> Street, Milwaukee, WI

3. On or about January 20, 2006, Mr. Volckmann completed an appraisal on behalf of mortgage lender Wauwatosa Savings Bank Oconomowoc for property located at 2657 N. 55<sup>th</sup> Street, Milwaukee, WI 53210. The appraisal showed a market value of \$ 118,000.
4. This appraisal was reviewed by the Department and it was determined that the appraisal violated the 2006 Uniform Standards of Professional Appraisal Practice (USPAP) in the following respects:
- a. **Standards Rule 1-2(c) Purpose and Reasonable Market Exposure Time** by failing to provide an opinion of reasonable exposure time linked to the value opinion, which is different from indicating marketing time;
- b. **Standards Rule 1-4(a) Sales Comparison Approach** by failing to indicate if any units in the comparable sales selected are vacant given the fact that both units for the subject are vacant, and by failing to make any adjustment for differences on this point, MLS sheets provided with the work file show all units for each of the sales to be rented and adjustments should have been made accordingly; additionally there is no explanation for the lack of adjustment for no fences in Sales 1 & 3;
- c. **Standards Rule 1-5 Subject Listing and Sale Information** by failing to include the sales price for the 1005 sale of the subject property; this Rule requires that the sales price be investigated and reported because the recent price paid for a property is highly relevant evidence of the market value; no explanation provided in the report as to why the subject property was allegedly worth more than twice what it sold for two months prior to the date of Mr. Volckmann's valuation; and
- d. **Standards Rule 1-1 Developing an Appraisal and Standards Rule 2-1 Report Not Misleading** by the combination of concerns addressed above, which lead to the conclusion that the value opinion is not supported.

COUNT II—Appraisal of 1729 S. 6<sup>th</sup> Street, Milwaukee, WI

5. On or about October 22, 2005, Mr. Volckmann completed an appraisal on behalf of mortgage lender Wauwatosa Savings Bank Wauwatosa for property located at 1729 S. 6<sup>th</sup> Street, Milwaukee, WI 53204. The appraisal showed a market value of \$ 95,000.
6. This appraisal was reviewed by the Department and it was determined that the appraisal violated the 2005 Uniform Standards of Professional Appraisal Practice (USPAP) in the following respects:
- a. **Standards Rule 1-2(c) Property Characteristics** by describing the subject property on page 4 of the report to be in "average to fair" condition when the subject has windows boarded up, deferred maintenance to plumbing, heading, exterior window glass, and has siding deterioration, yet the subject is described in the grid on page 3 of the report as being in "average" condition—this is inconsistent at best;
- b. **Standards Rule 1-4(a) Sales Comparison Approach** by failing to indicate if any units in the comparable sales selected are vacant given the fact that two of the three units for the subject are vacant, and by failing to make any adjustment for differences on this point, MLS sheets provided with the work file show all units for each of the sales to be rented and adjustments should have been made accordingly; Sale 3 has an additional 2 bedroom, 1 bath unit which is valued at only \$4,000 which seems exceedingly low given the property sold for \$25,000 per unit; adjustments for condition to Sales 2 and 3 are woefully inadequate given the list of deferred maintenance for the subject property and MLS sheet for Sale 3 shows it has "newer furnace, water heater, new roof, siding, and paint on the Duplex. Cottage has newer furnace, water heater, siding & paint;" the improvements to Sale 3, which the subject property apparently lacks, are valued at only \$1,300; the basis for condition adjustments to Sales 2 and 3 is not clear;
- c. **Standards Rule 1-4(c) Income Approach** by failing to apply a rent-up deduction unless all units for all sales were also vacant, which was not disclosed or explained in the report;
- d. **Standards Rule 1-4(d) Interest Valued** by misstating the property interest as "fee simple" when it is actually "leased fee" or "fee simple subject to lease;" the correct interest should be stated in the report even if the form utilized does not have a check box for the applicable interest;
- e. **Standards Rule 1-5 Subject Listing and Sale Information** by failing to analyze and explain in the report what portion of the \$9,500 seller is paying to buyer at closing is attributable to closing costs and a credit for repairs, and what portion applies to rent and security deposits being transferred, because the portion not attributable to rent and security deposits affects net sales price; and
- f. **Standards Rule 1-1 Developing an Appraisal and Standards Rule 2-1 Report Not Misleading** by the combination of concerns addressed above, which lead to the conclusion that the value opinion is not supported.

COUNT III—Appraisal of 1949 S. 23rd Street, Milwaukee, WI

7. On or about December 20, 2005, Mr. Volckmann completed an appraisal on behalf of mortgage lender Wauwatosa Savings Bank Oconomowoc for property located at 1949 S. 23rd Street, Milwaukee, WI 53204. The appraisal showed a market value of \$ 103,000.
8. This appraisal was reviewed by the Department and it was determined that the appraisal violated the 2005 Uniform Standards of Professional Appraisal Practice (USPAP) in the following respects:
- a. **Standards Rule 1-2(b) Intended Use** by failing to adequately identify the intended use of the appraisal work—the intended use of "opinion of market value prior to purchase" is insufficient;
- b. **Standards Rule 1-2(c) Purpose and Reasonable Market Exposure Time** by failing to provide an opinion of reasonable exposure time linked to the value opinion, which is different from indicating marketing time;
- c. **Standards Rule 1-4(a) Sales Comparison Approach** by identifying Sales 1 & 2 as being in "similar" condition to the subject property when the MLS sheets for Sales 1 & 2 show substantial upgrades over the subject property;
- d. **Standards Rule 1-4(c) Income Approach** by failing to adequately investigate rents of the subject property; if not provided with rents, the appraiser should indicate what sources were consulted and explain the problem(s) in obtaining the rent information;
- d. **Standards Rule 1-4(d) Interest Valued** by misstating the property interest as "fee simple" when it is actually "leased fee" or "fee simple subject to lease;" the correct interest should be stated in the report even if the form utilized does not have a check box for the applicable interest;
- e. **Standards Rule 1-5 Subject Listing and Sale Information** by indicating that the report was prepared "prior to sale," yet the report fails to explain whether or not the property was listed; the subject did transfer the month following closing; it appears the appraiser knew there might be a sale but failed to adequately investigate this point; and
- f. **Standards Rule 1-1 Developing an Appraisal and Standards Rule 2-1 Report Not Misleading** by the combination of concerns addressed above; given that the subject sold for \$70,000 the month following the date of valuation, the value opinion of \$103,000 in 12/05 appears significantly overstated.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in this matter pursuant to Wis. Stat. § 458.26, and is authorized to enter in the attached Stipulation pursuant to Wis. Stat. § 227.44(5).
2. The conduct described above in paragraphs 4-8 constitutes a violation of:
- a. 2005 USPAP Standards Rule 1-2(b), Intended Use;
- b. 2005 USPAP Standards Rule 1-2(c), Purpose and Reasonable Market Exposure Time;
- c. 2005 USPAP Standards Rule 1-2(c), Property Characteristics
- d. 2005 USPAP 1-4(a), Sales Comparison Approach;
- e. 2005 USPAP Standards Rule 1-4(c), Income Approach;
- f. 2005 USPAP Standards Rule 1-4(d), Interest Valued;
- g. 2005 USPAP Standards Rule 1-5, Subject Listing and Sales Information;
- h. 2005 USPAP Standards Rule 1-1, Developing an Appraisal; and
- i. 2005 USPAP Standards Rule 2-1, Report Not Misleading.
3. As a result of the above USPAP violations, Mr. Volckmann is deemed to have also violated Wis. Admin. Code § 86.01(2), thereby subjecting himself to discipline pursuant to Wis. Admin. Code § 86.01(1) and Wis. Stat. § 458.26(3)(b) and (c).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The certificate of licensure of Respondent **Mark A. Volckmann**, license # 4-1718, is hereby **SUSPENDED** for ONE HUNDRED EIGHTY DAYS (180) DAYS, beginning thirty (30) days from the date of the signing of this Order.
2. Respondent **Mark A. Volckmann** shall, within one year of the date of this Order, successfully complete the following education offered by the Appraisal Institute, at his own expense:
- Residential Sales Comparison and Income Approaches Course (30 hour course), including taking and passing the exam offered for the course; and
- Liability Management for Residential Appraisers (7 hour seminar); and
- Effective Appraisal Writing (7 hour seminar); and
- Quality Assurance in Residential Appraisals: Risky Appraisals – Risky Loans (7 hour seminar); and
- Overview of Real Estate Appraisal Principles (7 hour seminar).
3. Mr. Volckmann shall submit proof of the same in the form of verification from the institution providing the education to the address stated below. None of the education completed pursuant to this requirement may be used to satisfy any continuing education requirements that are or may be instituted by the Board or the Department of Regulation and Licensing.
4. Respondent **Mark A. Volckmann** shall, within 60 days of the date of this Order, pay **COSTS** of this matter in the amount of \$925.00.
5. Proof of successful seminar/course completion and payment of costs (made payable to the Wisconsin Department of Regulation and Licensing) shall be mailed, faxed or delivered to the Department Monitor at this address:

Department Monitor

Division of Enforcement  
Department of Regulation and Licensing  
P.O. Box 8935, Madison, WI 53708-8935  
Telephone (608) 261-7904, Fax (608) 266-2264

6. Violation of any of the terms of this Order may be construed as conduct imperiling public health, safety and welfare and may result in a summary suspension of Mr. Volckmann's license. The Board in its discretion may in the alternative impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order. In the event Mr. Volckmann fails to timely submit any payment of the costs as set forth above or fails to complete the education as ordered, or is otherwise in violation of this order, his license, # 4-1718, SHALL BE SUSPENDED, without further notice or hearing, until Mr. Volckmann has complied with the terms of this Order.

7. This Order is effective on the date of its signing.

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: Mark P. Kowbel  
A Member of the Board

5/16/07  
Date